Annual Report '81-'82

Alberta

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Alberta

CONSUMER AND CORPORATE AFFAIRS

403 427-2305

224 Legislative Building
Edmonton, Alberta, Canada
T5K 2B6

Office of
the Minister

The Honourable Gerard Amerongen
Office of the Speaker
Legislative Assembly of Alberta

Sir:

I have the honour to submit the Annual Report of the Department of Consumer and Corporate Affairs for the year ending March 31, 1982.

Respectfully submitted,

Minister of Consumer
and Corporate Affairs

Alberta

CONSUMER AND CORPORATE AFFAIRS

403 427-4095

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10065 - Jasper Avenue
Edmonton, Alberta, Canada
T5J 3B1

Office of
the Deputy Minister

The Honourable Julian Koziak
Minister of Consumer and Corporate Affairs

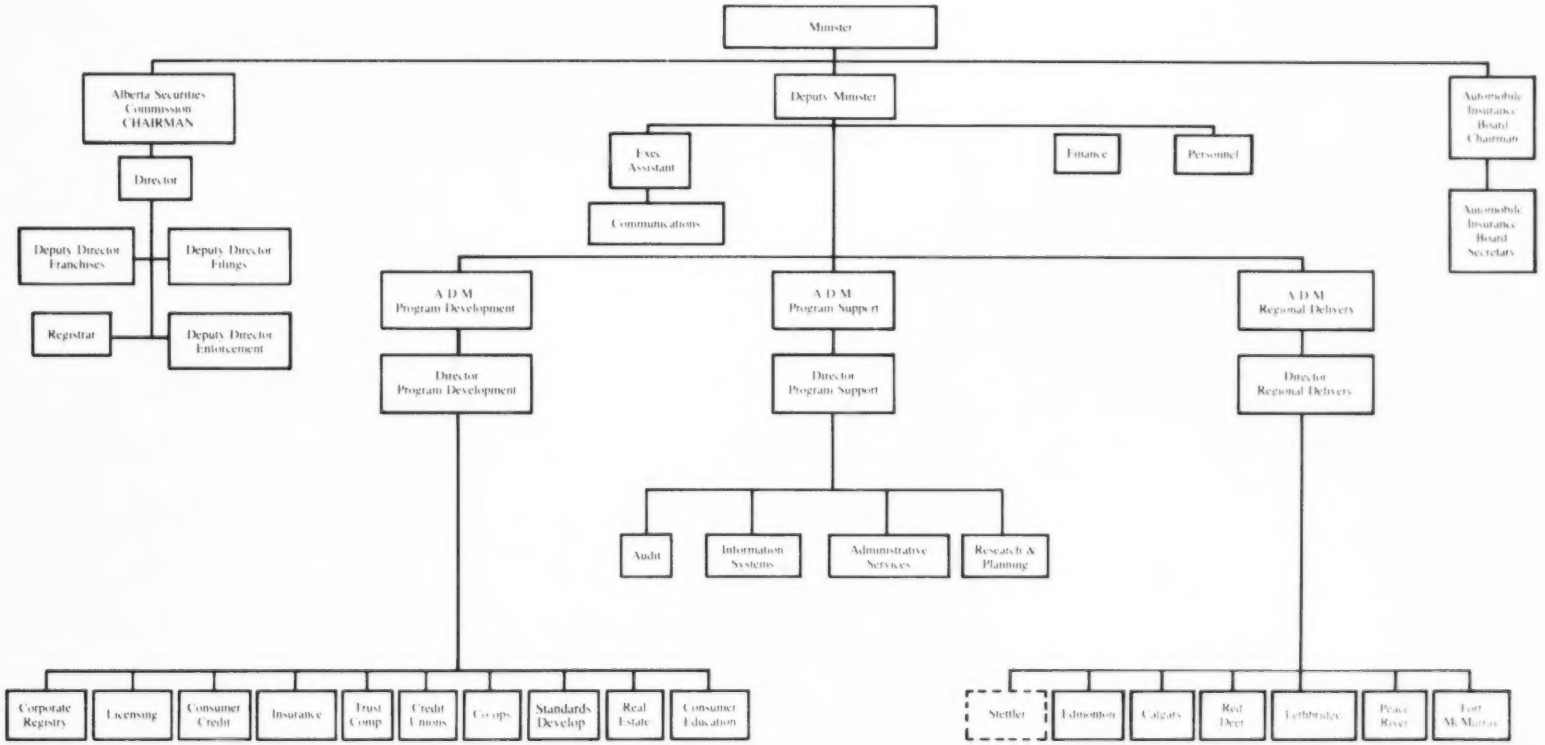
Sir:

I take pleasure in submitting the Department's Annual Report for the fiscal year ending March 31, 1982.

Respectfully submitted,

J. Barry Martin
Deputy Minister

Departmental Organizational Chart



Acts Administered by Alberta Consumer and Corporate Affairs

Business Corporations Act
Cemeteries Act
Cemetery Companies Act
Collection Practices Act
Companies Act
Condominium Property Act
Co-operative Associations Act
Co-operative Marketing Associations and Rural Utilities Guarantee Act
Credit and Loan Agreements Act
Credit Union Act
Credit Union Federation of Alberta Limited Act
Debtors' Assistance Act
Department of Consumer and Corporate Affairs Act
Direct Sales Cancellation Act
Fuel Oil Licensing Act
Insurance Act
Insurance Corporation Tax Act
Investment Contracts Act
Landlord and Tenant Act
Licensing of Trades and Business Act
Mortgage Brokers Regulation Act
Native Co-operative Guarantee Act
Part X of the Bankruptcy Act (Federal)
Prearranged Funeral Services Act
Public Auctions Act
Public Contributions Act
Real Estate Agents' Licensing Act
Religious Societies Lands Act
Societies Act
Tax Rebate Discounting Act (Federal)
Trust Companies Act
Unfair Trade Practices Act
Wage Assignments Act

Deputy Minister's Office

Communications

Personnel

Finance

Deputy Minister —
J. B. Martin

Communications Office

The Communications Office co-ordinates public affairs matters, media relations, advertising and internal communications for the department. It also provides editorial services and public relations counselling for clients within Consumer and Corporate Affairs.

The Communications staff manage the printing and artwork for all public information pamphlets produced by the department. During 1981-82, Communications assisted the Consumer Education program in producing the **Mom Buy Me That!** book and related materials. In conjunction with Corporate Registry, the unit conducted an information campaign to announce the introduction of the Business Corporations Act. The campaign included the publication of three brochures and use of print media advertising.

Communications is responsible for the production of all departmental displays and audio-visuals.

Personnel Office

During the period of adjustment following the department's reorganization, the main activities of the personnel office have been in job classification, recruitment and selection, and training and development.

Classification

The classification activities resulting from the reorganization were finalized and the updates of position descriptions were continued. In addition, an internal series review of the Consumer Relations Officer classification was conducted.

Recruitment and Selection

With some shortages of labour still occurring in certain skilled and professional occupations, the number of responses to competitions increased significantly during early 1982. Greater emphasis has been placed on improving the recruitment and selection service through more consultation with line managers in planning and preparation for recruitment and interviewing, and on decreasing the completion time for competitions. To increase the career opportunities for departmental staff, more use of departmental and limited competitions has been encouraged.

Training and Development

A systems approach to training and development continues to serve the department effectively in meeting its diverse needs. The department's training and development activity has increased over that of previous fiscal years. One hundred and sixty-eight employees participated in 40 different courses sponsored by the Organization Development Division of the Personnel Administration Office, totalling 491 training days.

One hundred and three employees also participated in 32 private-sector and other government agencies' courses, expending 159 training days. Two hundred and eleven employees participated in department-sponsored in-house training programs, an added 358 training days. Course subsidies also were granted to 65 employees participating in Community College and University Extension credit courses, representing the most active year yet for employee self-development.

During this fiscal year the department introduced a skills-based training program for 36 newly appointed first-line supervisors. The training was formally evaluated by the Research and Planning unit, and findings indicated that the program has met the needs of the target group. This training will continue to be offered and reinforcement training also will be provided in the form of four additional training sessions.

Personnel Office Statistics: 1981-82

Separations

Clerical	80
Professional	38
Number of Competitions Conducted	74

Salary Positions
(as of March 31, 1982)

Total Positions	500
Total Number of Wage Positions	23
Total Number of Salary Positions	457
Number of Management Positions	53
Number of In Scope, Opted Out and Excluded	404
Contract Employees	1
Classification Requests Processed	204
Classification Appeals	0
Employee Grievances	0

Finance Office

TABLE 1

Summary of Expenditures of the Department of Consumer and Corporate Affairs for the Fiscal Year Ended March 31, 1982

1.	Central Support Services	
	Minister's Office	$ 159,604
	Executive Management	407,668
	Program Support Division	1,771,122
	Regional Delivery Division	3,121,033
		$ 5,459,427
2.	Consumer Services	$ 1,039,282
3.	Business Registration and Regulation	
	Program Support	$ 430,693
	Regulation of Insurance Industries	169,378
	Regulation of Auto Insurance Premiums	89,457
	Business Incorporation and Registration	3,056,499
	Registration and Regulation of Trust Companies	73,748
	Regulation of Credit Unions	134,504
	Licensing	313,843
	Regulation of Credit Grantors	176,099
	Regulation of Business Practices	153,722
	Regulation of Real Estate	126,795
	Regulation of Co-operatives	105,265
		$ 4,830,003
4.	Regulation of Financial Markets	$ 2,852,519
	TOTAL DEPARTMENTAL EXPENDITURES	$14,181,231
	TOTAL DEPARTMENTAL EXPENDITURES FOR 1980-81	$11,339,924

Note: No comparative data is available for 1980-81 due to a departmental re-organization effective April 1, 1981.

TABLE 2

Summary of Revenue for the Department of Consumer and Corporate Affairs for the Years Ended March 31, 1982 and 1981

	1981-82	1980-81
Licences:		
Collection Agencies	$ 11,045	$ 10,135
Insurance Agents	110,102	113,734
Insurance Companies	157,528	162,453
Investment Contracts Act	7,100	9,850
Licensing of Trades and Businesses	756,803	903,449
Mortgage Brokers	23,100	24,000
Real Estate Agents	297,119	320,461
	$1,362,797	$1,544,082
Fees and Permits:		
Alberta Companies Act	$3,247,024	$3,118,661
Alberta Securities Commission	349,522	285,214
Credit Union Examination	220,122	194,658
Debtors' Assistance Act	543	235
Orderly Payment of Debts	2,990	3,070
Trust Companies Act	20,230	42,032
	$3,840,431	$3,643,870
Miscellaneous:		
Insurance Branch	$ 28,309	$ 17,981
Previous Year's Refunds	59	284
Other	7,583	6,206
	$ 35,951	$ 24,471
TOTAL DEPARTMENTAL REVENUE	$5,239,179	$5,212,423

Program Development Division

Consumer Education Program

Family Financial
Counselling Program

Standards Development Program

Licensing Program

Real Estate Program

Consumer Credit Program

Insurance Program

Trust Companies Program

Credit Union Program

Co-operative Activities Program

Corporate Registry

Assistant Deputy Minister —
D. E. L. Keown

Executive Director —
T. Saleh

Program Development

The primary objectives of the division are to promote the development of orderly and responsible business activities, to ensure fair trade standards and practices, to create a community of informed consumers and to develop public interest safeguards with a minimum of government intervention in the economic system.

Consumer Education Program

The central purpose of the Consumer Education Program is to provide Albertans with self-help learning opportunities and to assist them in improving life-coping skills. In order to achieve this goal, the Consumer Education Program offers a wide range of services focussing on important areas of consumer concern. The following specific objectives provide a base for medium-range planning and management of educational projects:

(a) To provide Albertans with learning opportunities that will enable development of decision-making skills required for effective functioning in the marketplace.

(b) To produce educational materials designed to meet changing consumer needs.

(c) To encourage in Albertans a sense of responsibility in the planning and allocation of their personal resources.

(d) To create programs for those in special need and to involve such groups in the development and delivery of educational programs.

Consumer Education Projects

Self-help materials were produced to meet the needs of a variety of audiences. There was a substantial increase in the number of requests from both the public and educational institutions for publications. In order to raise awareness of consumer rights and responsibilities, in-service sessions were employed for professional groups. The unit also increased its use of the media.

Major accomplishments include the following activities:

— To help parents teach their children how to analyze advertising critically, staff developed the publication **Mom Buy Me That!** The booklet contains practical ideas for parents as well as an activity section for children aged 5-12. Over 46,000 copies are in distribution.

— Eight new "tip sheets" were written on various housing topics, and were later reprinted as a booklet, **Housing Choices in Alberta.** Two other "tip sheets" on consumer-related topics also were produced and distributed to the public, service agencies and educational institutions. These publications also are used in our regional offices as background for courses, newspaper articles and media contacts.

— Co-operation between our program and the Alberta Condominium Advisory Council resulted in the production of the booklet **Condominiums in Alberta,** which is now in public distribution.

— **Consumer Tips,** a booklet comprising fifty existing "tip sheets", was printed and distributed by the six regional offices to medical and dental offices for waiting room displays.

— Several visual aids were created, including large display panels on housing choices. Display banners for Consumer Week were produced in co-operation with the Consumers' Association of Canada.

— Sixty-four radio scripts on a variety of consumer topics were written with the Communications Office for use as public service announcements. The scripts are aired weekly on local radio stations by regional office education personnel.

— **Regional Services,** a pamphlet outlining the services available to the public through the six regional offices, was produced and distributed.

— Consumer outreach programming was extended to several colleges. Material collections were established and in-service workshops were conducted for staff members at Keyano College, Lakeland College, Grande Prairie Regional College and the Adult Education Centre in Peace River. Programming continued at Lethbridge and Grant MacEwan community colleges.

— In order to ensure effective use of our instructional packages and print materials by other agencies and institutions, staff conducted 38 consumer education workshops.

— Staff helped develop a television commercial and a newspaper advertisement that encouraged the public to request two of our booklets on money management and credit use.

— The publication **Consumer Education Materials: An Annotated List** was revised and distributed to all public libraries and schools in the province, as well as to a variety of other post-secondary institutions and agencies. The publication lists materials that can be borrowed from the Resource Centre.

— Five multi-media instructional kits for use by educators, departmental regional staff and other consultants were produced. Issues addressed were children's advertising, landlord-tenant rights and responsibilities, money management and credit use and abuse. Some productions were co-operative ventures with ACCESS Alberta.

— As a pilot project, the Resource Centre and regional office staff established a Consumer Corner in the Lethbridge Public Library. The Corner is now a permanent distribution centre for departmental publications.

Regional Education Delivery

Each of the six regional offices has staff responsible for education program delivery. Four full-time and three part-time education staff are currently employed. The Consumer Education staff in Edmonton provide assistance to the regions through the Resource Centre, developing resource materials and helping to plan programs for public audiences.

Family Financial Counselling Program

The Family Financial Counselling Program administers both the Debtors' Assistance Act and the Orderly Payments of Debts provisions, Part X of the federal Bankruptcy Act.

Under the Debtors' Assistance Act, the Debtors' Assistance Board operates a voluntary repayment pool program and conducts counselling activities through individual or group sessions using various print and electronic aids. The thrust of the Family Financial Counselling Program approach is one of self-help, aimed at creating greater public awareness of sound money management habits.

The Orderly Payment of Debts provisions assist those Albertans in more serious financial difficulties. Part X of the Bankruptcy Act establishes a court ordered repayment program under which the debtor may rehabilitate himself and re-establish his credibility in the financial marketplace.

During 1981/82, the Family Financial Counselling Program administered a total indebtedness of $7,481,052.70, and disbursed $2,170,946.70 to credit grantors under the two repayment systems on behalf of over 1,300 clients. Although the number of repayment programs initiated by the Family Financial Counselling Program remained stable, the number of personal and telephone interviews conducted by our counsellors in the six regional offices rose to over 9,500 during the past fiscal year. In addition, where the need was expressed, our regional offices conducted group counselling sessions or budgeting workshops in the evenings to help Albertans manage their family finances.

Education

The Family Financial Counselling Program, assisted by the Consumer Education Program, continued to promote the wise use and management of credit and money to the Alberta public. During the fall of 1981, 4,445 **Before You Go Under** booklets were distributed in direct response to television and newspaper advertisements. Financial self-management and awareness will continue to be emphasized due to the uncertain economic and employment conditions facing all Albertans.

Standards Development Program

The primary objective of the Standards Development Program is the creation and maintenance of fair trading standards within the Alberta marketplace. A major thrust of the program is the continuing development and administration of the Unfair Trade Practices Act. This Act provides suppliers with a minimum standard of acceptable conduct in marketing goods and services, through the principles of truth in selling and full disclosure of information. Thus, consumers are protected from deceptive, misleading or unconscionable acts or practices, and suppliers benefit as they no longer have to compete against unfair business practices.

In the past fiscal year, the department's six regional offices completed 658 investigations of alleged contraventions of the Unfair Trade Practices Act. The majority of these complaints were resolved through mediation, but in 11 cases the Director of Trade Practices found it necessary to enter into voluntary Undertakings with the supplier. While both the number of investigations and Undertakings have declined from last year (when the totals were 991 and 22, respectively), the amount of redress obtained on consumers' behalf rose substantially, to $210,733 from $45,684 in 1980-81.

These statistics reflect a conscious effort to focus on more serious transgressions involving suppliers' unfair practices as opposed to isolated acts. For example, one of the Undertakings obtained during the year was from European Spa Fitness Centres Ltd. This firm published numerous advertisements offering its memberships on a "two for one" basis. The company had artificially inflated the regular price of its memberships during these promotions so that consumers did not obtain the price benefit as represented. As a result the supplier agreed in the Undertaking to provide compensation of approximately $93,000 to be distributed among 1,000 consumers.

In cases where a supplier does not agree to enter into an Undertaking, or where the public interest would best be served by court action, a Statement of Claim is filed on behalf of the Director of Trade Practices. During the past year, the Director was awarded a judgement against a door-to-door seller of encyclopedias and child development books. The court granted an order declaring that the defendant's acts and practices were unfair, an injunction restraining the defendant from further misrepresentations and the award of investigative costs and costs of action.

The Standards Development Program continues to work closely with various business groups in the development and maintenance of standards of business practice. Program staff serve on both a provincial panel that certifies residential insulation contractors and on an advisory group for the registration of contractors providing remedial measures for homes insulated with urea formaldehyde foam insulation (UFFI). This registration program is part of the federal government's assistance program to UFFI homeowners throughout the country.

Discussions with the Recreation Vehicle Dealers Association have led to the formulation of an advertising code of ethics for its members. In addition, we continue to work closely with other Department programs in developing proposals for the regulation of firms in the travel, mail order and future service industries.

Licensing Program

The principal mandate of the Licensing Program is to develop and co-ordinate policies and/or guidelines for licensing under the provisions of the following acts and their regulations:

Licensing of Trades and Businesses Act
Public Auctions Act
Fuel Oil Licensing Act
Real Estate Agents Licensing Act
Insurance Act
Direct Sales Cancellation Act
Public Contributions Act
Cemeteries Act
Prearranged Funeral Services Act

The program's other responsibilities are to provide policy for an on-line system of licensing and complaint information; to provide a consulting service on licensing to the six regional offices; to approve and process bond claims against licensees; and to review and approve prosecutions for violations of the acts and regulations.

On March 31, 1982, there were 86,396 business licences in force, an increase of 31,762 since the last report. This increase included the transfer of licensing responsibility for 20,000 licences from the Real Estate and Insurance Programs to Licensing. Informations were laid and court decisions rendered on 25 cases. Surety bonds posted by eight licensees were forfeited to compensate consumers where licensees failed to provide the goods or services as contracted; these actions resulted in $41,110 being returned to consumers. A total of 835 campaigns for public contributions were approved in the last year, an annual increase of 15%.

The Licensing Program has continued to rationalize and repeal outdated licensing regulations over the last two years, reducing the number of licences issued to businesses and salesmen by 55,000, and resulting in savings to business (in foregone licensing fees) of approximately $1,007,000. Those businesses deregulated in the past year include bakeries, cleaning and dyeing companies, photo finishers, restaurants, second-hand dealers, manufacturers of upholstered and stuffed articles, visitor accommodations, wholesale businesses and, in mid-1982, salesmen for direct selling companies and auctioneers. Other licensing regulations are being reviewed to determine their relevance to the modern marketplace.

Real Estate Program

The Real Estate Program administers the Real Estate Agents' Licensing Act, Mortgage Brokers Regulation Act and Condominium Property Act.

The program protects the public by ensuring that persons who deal with the public in areas covered by these statutes are licensed and bonded, where required. Complaints against licensees are investigated by regional staff who provide a mediation role as needed. Examinations and audits are conducted by regional office members and Audit staff to ensure trust funds are handled properly.

Real Estate Agents' Licensing Act

To ensure that all real estate agents and sales people are educated to an acceptable standard, examinations are conducted for all first-time applicants before a licence is issued. A summary of real estate examinations given during 1981 is shown in Table 1.

At March 31, 1982, there were 9,590 agents and sales people licensed in Alberta compared to 10,146 in 1980 (Table 2).

The program also regulates the registration of out-of-province real estate that is divided into units such as lots, condominiums or timesharing projects. A prospectus must be filed and accepted before a developer is permitted to offer a project to Alberta residents. The prospectus must provide full disclosure of the relevant facts about the development. Sixty enquiries regarding filing a prospectus were received from out-of-province developers during the fiscal year. Twenty certificates of acceptance were issued.

Mortgage Brokers Regulation Act

Persons acting as mortgage brokers must be registered and maintain certain bonding and capital requirements. On March 31, 1982, there were 209 mortgage brokers registered in the province, compared to 235 one year previously.

Investigations

In the year ended March 31, 1982, 219 real estate complaints were registered. As well, 38 mortgage broker complaints and two condominium complaints were received. See Table 3 for comparative figures.

Disciplinary Action

Nineteen hearings were held for licensees, resulting in eight suspensions, two cancellations, five reprimands and three licences being surrendered. One decision is pending. No appeals of the Superintendent's decisions were filed.

TABLE 1

Examinations for Real Estate Applicants

(April 1, 1981 to March 31, 1982)

Type of Examination	Written	Pass	Fail
Real Estate Agents	266	167	99
Real Estate Salesmen	3,303	2,045	1,258
TOTALS	3,569	2,212	1,357

TABLE 2

Number of Real Estate Agents and Salesmen

(at March 31, 1982)

	Agents	Salesmen	Total
Calgary	302	3,413	3,715
Edmonton	368	2,336	2,704
Red Deer	32	217	249
Lethbridge	22	197	219
Medicine Hat	24	163	187
Grande Prairie	14	101	115
Camrose	10	52	62
Lloydminster	8	41	49
Wetaskiwin	7	38	45
Drumheller	7	37	44
Towns, Villages and Non-Residents	514	1,687	2,201
TOTALS	1,308	8,282	9,590

TABLE 3

Real Estate, Mortgage Broker and Condominium Complaints

	1981-82	1980-81
Real Estate	219	437
Mortgage Brokers	38	68
Condominiums	2	5
TOTALS	259	510

Consumer Credit Program

The Consumer Credit Program administers the following acts through the six regional offices:

Alberta

*The Credit and Loan Agreements Act
The Collection Practices Act
The Wage Assignments Act

Federal

The Tax Rebate Discounting Act

The mandate of the Consumer Credit Program is to ensure that a fair and equitable credit industry operates in Alberta and to ensure protectio.. of public interests.

Consumer spending and borrowing patterns have changed in recent years, chiefly due to high interest rates. This has had an adverse effect on the credit granting industry and on the borrowing public. Interest rates have created large potential losses within the credit industry and have limited consumer demand for such goods as new vehicles and housing. The high cost of borrowing has reduced the average family's disposable income and therefore lowered overall spending, resulting in fewer housing starts and an increase in business failures.

The Consumer Credit Program has continued its attempt to educate the Alberta consumer in the wise use of credit and to make more people aware of effective personal financial management practices.

Monitoring Current Business Practices

During the calendar year 1981, 466 credit-related examinations and investigations of deposit-taking institutions, retailers, finance companies, collection agencies and tax discounters were conducted (Tables 1 and 2). These examinations and investigations were carried out in response to consumer complaints to ensure the terms of the applicable legislation were being complied with. Credit portfolios were reviewed to ensure the industry was providing consumers with proper disclosure of credit terms.

During 1981, the credit industry sought increased flexibility in the types of credit extended as a method of coping with fluctuations in interest rates. This trend has created some difficulties in meeting the requirements of the Credit and Loan Agreements Act. One method employed by the industry to maintain rate flexibility is the increased use of the "demand" feature of loan documents. Because interest rates vary so slightly between credit grantors, consumers face a limited choice — renegotiating a loan at higher rates or fulfilling the demand for full repayment.

As the Bank of Canada's trend-setting bank rate is pegged weekly, it has made credit shopping an extremely important weekly exercise, creating uncertainty for the prospective consumer and investor a'ike. The most pronounced effect of the weekly adjustments was the increased use of shorter term and variable rate lending instruments. Financial institutions now set their interest rates directly in accordance with the prime rate fluctuations.

The real estate industry also became particularly innovative during 1981 as attractive financing terms were major incentives to consumers contemplating a home purchase.

* The Supervisor of Consumer Credit reports annually on a calendar basis pursuant to the terms of the Credit and Loan Agreements Act. The figures in this section relate to the latest repor', which is for the period January through December, 1981.

Tax Discounting

The Consumer Credit Program, in co-operation with the R.C.M.P. and Consumer and Corporate Affairs Canada, continues to administer the federal Tax Rebate Discounting Act, which regulates the activities of tax discounters.

The number of tax return transactions by registered discounters in Alberta increased 86% over the 1980 calendar year figures, bringing the total to 4,781.

Recommended Changes in Business Practices and Forms

Throughout 1981, investigations and examinations revealed the need for amendment of business practices and documentation used by Alberta credit unions, finance companies and collection agencies. Through regional office contacts, the Consumer Credit Program stays abreast of problem areas where violations of the legislation or breaches of the spirit and intent of the Credit and Loan Agreements Act are encountered.

TABLE 1

Summary of Credit Complaints Received by Consumer Credit Program in 1981

Complaint Investigations (By Business Type)

Retail	214
Collection Agency	93
Finance Company	54
Bank	53
Mail Order	13
Tax Discounter	8
Personal Services	4
Credit Reporting	0
Other	27
TOTAL	466

Complaint Investigations (By Problem Type)

Advertising	96
Cost of Credit	95
Pay-Out Calculation	66
Collection Practices	53
Unethical Practices	32
Contract Liability	23
Cancellation of Contract	11
All Others	90
TOTAL	466

Total dollar settlements of all complaint investigation files $24,610

Insurance Program

This program administers the Insurance Act, The Insurance Corporations Tax Act and The Investment Contracts Act.

The Insurance Program provides protection to the public by licensing all insurers and auditing provincial insurance companies to ensure their solvency. As well, the program serves the public by investigating complaints about insurance or investment contracts.

Before receiving a licence from the department, an insurance company must place a deposit with the appropriate provincial or federal authority. This deposit is held to protect policy-holders in case the company runs into financial difficulties. During 1981, a total of 356 insurance companies, eight of which were provincial companies, were licensed in Alberta (Table 1).

Each year, all Alberta-licensed insurance companies are required to file detailed statements of their financial condition and operations with the Superintendent of Insurance. In accordance with the Insurance Act, all provincially incorporated companies are audited annually. The Insurance Act also requires the Superintendent of Insurance to prepare an annual report on the affairs of the industry.

The Superintendent works in co-operation with other provincial jurisdictions to maintain uniformity in the enactment and administration of insurance laws.

In an effort to ensure that all insurance agents, brokers and adjusters acquire an acceptable standard of knowledge in their field, the program conducts examinations for all first-time applicants before issuing a licence or certificate of authority. There were 9,664 insurance agents and 415 adjusters licensed as of February 15, 1982 and March 31, 1982 respectively. A summary of these licences by cities, towns and villages appears in Tables 2 and 3.

The Investment Contracts Act

The Program also licenses investment contract companies and investment contract sales representatives. There were three investment contract companies licensed in Alberta in 1981/82.

Investigation

During the fiscal year ending March 31, 1982, 389 insurance and four investment contract complaints were resolved (Table 4).

Disciplinary Action

During the fiscal year 1981-82, two insurance agents' licences were suspended and 12 insurance licensees were sent letters of reprimand.

TABLE 1

Insurance Companies Licensed During 1981

Provincial Companies	8
Extra-Provincial Companies	16
Dominion Registered Companies	311
Fraternal Associations	21
TOTAL	356
New Companies Admitted During 1981	11
Companies Withdrawn During 1981	1
Companies Merged into Existing Companies	2

TABLE 2

Number of Insurance Agents Licensed

(as of February 15, 1982)

	Life	Fire	A&S	Hail	Auto	Other	Total
Calgary	1,038	368	762	4	4	193	2,369
Edmonton	987	343	638	—	12	280	2,260
Lethbridge	96	40	52	12	1	27	228
Red Deer	88	28	49	—	2	17	184
Grande Prairie	38	8	22	6	2	16	92
Medicine Hat	31	10	13	7	1	9	71
Camrose	12	8	4	5	—	7	36
Wetaskiwin	7	9	4	4	1	9	34
Lloydminster	9	10	3	4	2	4	32
Drumheller	8	5	1	3	—	6	23
Towns, Villages and Non-Residents	820	668	350	509	21	304	2,672
Employees	8	1,577	3	3	25	47	1,663
TOTALS	3,142	3,074	1,901	557	71	919	9,664

TABLE 3

Number of Insurance Adjusters Licensed

(as of March 31, 1982)

Edmonton	150	Slave Lake	3
Calgary	127	St. Paul	2
Red Deer	21	Jasper	2
Lethbridge	19	Brooks	2
Medicine Hat	12	Cardston	2
Grande Prairie	10	Camrose	1
Peace River	9	Vegreville	1
Lloydminster	8	Sherwood Park	1
Fort McMurray	5	Vermilion	1
Hinton	4	Gunn	1
Edson	4	Millarville	1
Bonnyville	4	Non-Residents	22
Drumheller	3	TOTAL	415

TABLE 4

Insurance Complaints Resolved

(Fiscal Year Ending March 31, 1982)

Class of Complaints	Total
Automobile	186
Fire	71
Life	38
Accident & Sickness	22
Travel	5
General (other classes)	58
Adjusters	9
TOTAL	389

Trust Companies Program

The Trust Companies Program administers The Trust Companies Act.

Trust companies wishing to carry on business in Alberta first must obtain a certificate of registration. To become registered, trust companies must comply with specific requirements stated in the Act. It also is mandatory for a trust company to be insured under The Canada Deposit Insurance Corporations Act.

All registered companies must file quarterly reports, yearly financial statements and other information and documents pertaining to the companies' operation as may be required by the Director of Trust Companies.

At December 31, 1981, there were 53 trust companies registered in Alberta; 25 were federally incorporated, 19 were incorporated under other provincial jurisdictions and nine were Alberta-incorporated, two of which were inactive.

In Table 1, comparative statistical highlights show the capital and total assets of trust companies registered in Alberta. This table also indicates total corporate deposits and investments in this province. Figures shown represent conditions as of December 31, 1981.

TABLE 1

Comparative Statistics for Trust Companies Registered in Alberta

	1981	1980	Percentage Increase
Number of Trust Companies Registered	53	51	3.9%
Capital	$ 1,818,951	$ 1,271,137	43.1%
Total Assets	44,550,585	32,404,860	37.5%
Deposits and Investment Certificates (Alberta)	3,275,793	2,647,285	23.7%
Total Investments (Alberta)	7,612,226	6,019,373	26.5%

TABLE 2

List of Trust Companies Operating in the Province

Canada Permanent Trust Company
Central Trust Company
Citicorp Trust Company
Citizens Trust Company
Columbia Trust Company
Commercial Trust Company Limited
Continental Trust Company
Co-operative Trust Company of Canada
Counsel Trust Company
Credit Foncier Trust Company
Crown Trust Company
Discovery Trust Company
Eaton/Bay Trust Company
Eaton Bay Trust Company (Alberta)
Financial Trust Company
First City Trust Company
First Western Trust Company
General Trust of Canada
Guaranty Trust Company of Canada
Heritage Savings & Trust Company
Highfield Trust Company
Income Trust Company
Inland Trust and Savings Corporation Limited
Investors Group Trust Co. Ltd.
Montreal Trust Company
Montreal Trust Company of Canada
Morgan Trust Company of Canada
Morguard Trust Company
National Trust Company, Limited
Norfolk Trust Company
North Canadian Trust Company
North West Trust Company
Nova Scotia Savings & Trust Company
Peace Hills Trust Company
Pioneer Trust Company
Principal Savings and Trust Company
Quebec Trust
Royal Trust Corporation of Canada
Saskatchewan Trust Company
Standard Trust Company
Sterling Trust Corporation
The Bankers' Trust Company
The Canada Trust Company
The Fidelity Trust Company
The International Trust Company
The Morgan Trust Company
The Royal Trust Company
Vanguard Trust of Canada Limited
Victoria and Grey Trust Company
Western Capital Trust Company
Yorkshire Trust Company

Credit Union Program

The Credit Union Program administers the Credit Union Act and the Credit Union Federation of Alberta Limited Act.

Protection is provided to the public through a process of examination and inspection of all credit unions and through the monitoring of the activities of the credit union system in such areas as overdrafts, lending limits and compliance with existing legislation. A follow-up process ensures that infractions of legislation or any unsound business practices observed during the examinations are corrected. The Credit Union Program is responsible for the processing of incorporations, dissolutions, amalgamations and the registration of credit union supplemental by-laws.

There is continual liaison between the Office of the Director, the Credit Union Central, Credit Union Stabilization Corporation and Alberta credit unions to ensure that the Director maintains a current awareness of the changes within the movement.

No new credit union charters were issued during 1981. There were 15 dissolutions and one amalgamation, leaving 150 credit unions chartered in the province.

TABLE 1

Alberta Credit Unions

	March '82	March '81
Number of Incorporated Credit Unions	150	160
Branch Outlets	161	140
TOTAL	311	300
Members	550,000	540,000
Assets	$2,268,204,387	$2,157,966,997
Loans Outstanding	1,767,297,672	1,806,436,308
Cash and Investments	333,786,597	265,620,281
Guarantee Reserves (for doubtful loans)	21,689,668	18,212,088
Other Reserves and Distributable Earnings	19,454,529	21,321,224

Co-operative Activities Program

The Co-operative Activities Program administers the Co-operative Associations Act, the Co-operative Marketing Association and Rural Utilities Guarantee Act and the Native Co-operative Guarantee Act. The delivery of this program now has been fully regionalized into the department's six regional offices to provide direct local access to all co-operatives.

The fiscal year ending March 31, 1982 was a difficult one for many co-operatives. High financing costs and variable market conditions led to a variety of difficulties experienced in almost all areas of the co-operative marketplace. Provincial figures show that while there was a significant increase in business volume (up 34% from the year ended October 31, 1980) and increased membership within co-operatives (up 14%), assets and net worth decreased 20% and 27%, respectively.

No formal bankruptcies occurred within the co-operative sector during the fiscal year. However, several co-operatives liquidated their assets and have disbanded. During the fiscal year, 25 new co-operatives were incorporated and 40 were struck from the register, resulting in a year-end total of 1,038 co-operatives in Alberta.

The economic conditions of 1981 resulted in many co-operatives conducting a closer internal review of their operations to ascertain long term viability and methods of ensuring continued growth. The department is working closely with several organizations in this regard as well as developing closer liaison with other departments actively involved with co-operatives. The goal of these endeavours is to ensure that the co-operatives that operate within this province provide a viable service to their members based on sound economic strategy operating within co-operative principles.

Alberta Co-operative Statistics

(year ending March 31, 1982)

Classification	Business Volume	Assets	Net Worth	Surplus	Member-ship
Consumer	$ 946,531,326	$ 318,897,572	$ 91,568,026	$ 28,962,150	643,272
Livestock and Grazing	4,257,967	4,303,761	2,431,295	(86,595)	6,359
Feeder	25,200,254	26,090,030	(324,303)	(485,164)	2,174
Dairy and Poultry	249,896,992	81,589,442	31,310,913	5,897,348	10,523
Seed and Grain	2,431,697,329	826,894,067	192,349,466	80,968,639	166,548
Sundry	30,271,496	53,976,147	17,178,188	3,774,999	21,456
TOTALS	$3,687,855,364	$1,311,751,019	$334,513,585	$119,031,377	850,332

Corporate Registry

The central mandate of Corporate Registry remains to facilitate orderly business development in the province through the incorporation of Alberta-based limited liability corporations and the registration of extra-provincial corporations. The two statutes governing these functions are the Business Corporations Act and the Companies Act. In addition to administering these two statutes, this program assists in the incorporation of organizations under The Societies Act, The Religious Societies Lands Act, The Co-operative Associations Act, The Credit Union Act and The Cemetery Companies Act.

Corporate Registry also is responsible for maintaining an up-to-date retrievable and reproducible repository of corporate information. This includes the maintenance of an encumbrance register, which assists in the establishment of priority of claims by creditors on the assets of a corporation.

The highlight of the 1981-82 fiscal year was the proclamation of The Business Corporations Act on February 1, 1982. This Act replaced The Companies Act of 1929 and introduced several major reforms to corporate law in Alberta. These reforms are intended to simplify Corporate Registry procedures, to protect creditors and minority shareholders and to encourage investment in Alberta corporations. The new procedures reflect a conscious effort to achieve consistency with the policies in effect in other jurisdictions with similar legislation.

Immediately following proclamation of the new Act, several sections at Corporate Registry noted sharp decreases in work volumes, attributable to the public's lack of familiarity with the Act and new policies and procedures.

Incorporation and Registration

The number of new Alberta companies incorporated each month has been decreasing since June, 1981. This decline probably is the combined result of general economic conditions, recent federal budget proposals and lack of public familiarity with the new Act's requirements.

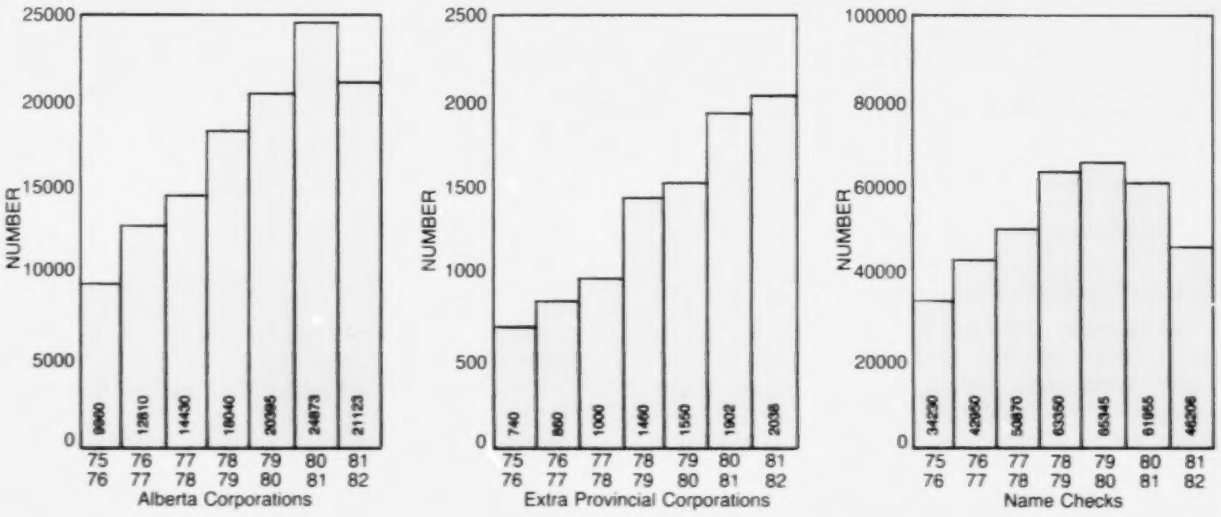
In contrast, the number of extra-provincial corporations registered in Alberta has been increasing steadily. The 1981-82 fiscal year-end total of 2,038 extra-provincial registrations represents an approximate increase of 7% over the 1980-81 year-end total.

In conjunction with the other provinces, we now are exploring methods of alleviating the burdens on Canadian provincial companies wishing to register in other provinces. It is anticipated that the introduction of new policies in this area will result in further increases in the number of extra-provincial registrations in Alberta.

The number of names submitted for examination decreased in the latter part of the fiscal year. This is largely because of the imposition of a $25 name-check fee on February 1, 1982, as a part of the new fee schedule. A positive result of the name-examination fee is a significant decrease in the number of unacceptable names. Apparently the public is taking greater care in selecting a name before submitting it for examination.

TABLE 1

Incorporation Statistics



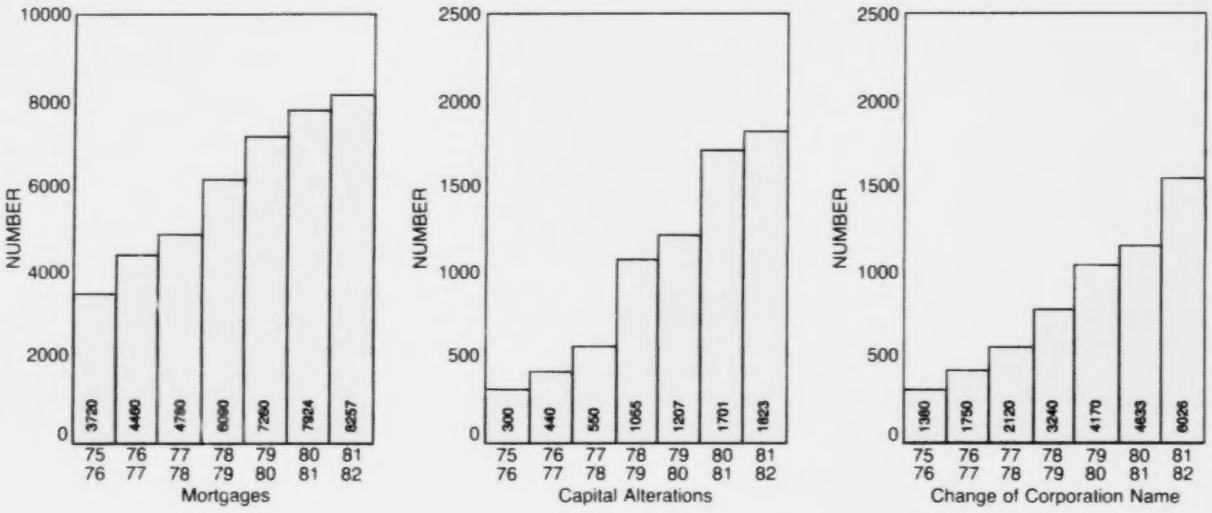
Corporate Reorganization

A natural result of the growing population of corporations in Alberta is a steadily increasing volume of corporate reorganizations.

Below is a graphic display of the increases in the volume of reorganizations.

TABLE 2

Corporate Reorganization Statistics



Continuations

Corporate Registry has created a new section to handle the mandatory continuations of all companies into the new Business Corporations Act. Approximately 140,000 Alberta companies are required to file continuation documents within three years of their anniversary date. A progressive fee schedule was introduced to encourage filing within the first year. As of March 31, 1982, approximately 500 old companies were continued under the new Act.

Public Information

Public demand for corporate information in all forms has increased greatly in the past year.

The greatest demand has been in the Telephone/Counter Search area where the calls have increased by an average of 3,000 per month over 1980-81, and walk-in requests have increased by 460 per month.

Systems Coordination

The enactment of The Business Corporations Act necessitated major enhancements to the Companies Branch Information System (CBIS). Implementation of the system changes took place with little difficulty on February 15, 1982.

Corporate Registry - Calgary Office

The Calgary office provides a number of corporate services, including name examinations, to the residents of Southern Alberta. Increases in all facets of its operation were recorded in this fiscal year. The increase in the number of telephone searches resulted in the addition of one staff member.

Below is a comparison of the 1980-81 and 1981-82 fiscal years.

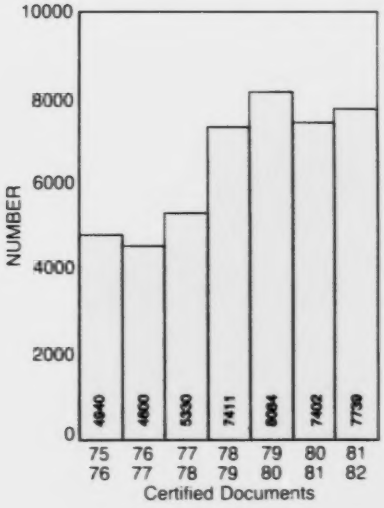
	1981-82	1980-81
Telephone Inquiries Received	34,855	20,565
Office Visits	18,366	14,225
Total Number of Documents forwarded to Edmonton from the Calgary office	61,884	42,725
Company Searches by Telephone	67,898	41,732
Name Examinations	20,545	18,645

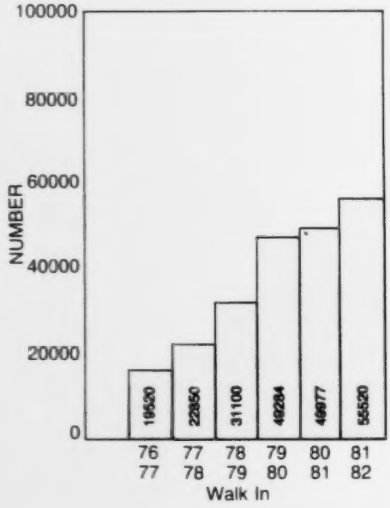
General Administration

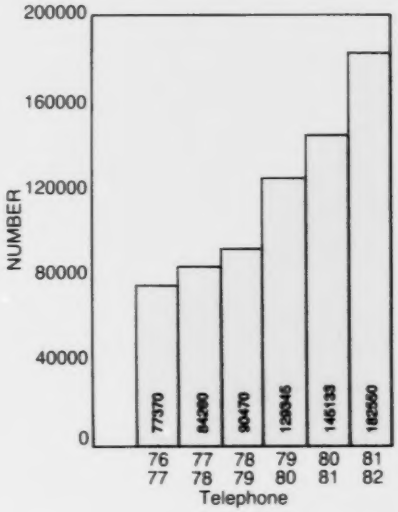
This section provides service to the public and support to Corporate Registry in the areas of mail, revenue, inventory, central filing and accounts maintenance. In order to accommodate fluctuating demands for service, and to facilitate an even work flow, employees are being trained in more than one area.

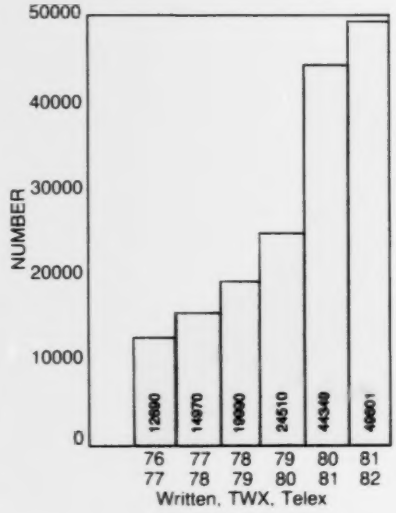
TABLE 3

Public Searches









Regional Delivery Division

Assistant Deputy Minister —
H. J. Thomas

Executive Director —
G. Blochert

Regional Delivery

The Regional Delivery Division is responsible for uniform and effective delivery of department programs through six regional offices across the province. The objectives of the division are:

— Standardization of program delivery in all regional offices.

— Complete delivery of all programs in each region and continual evaluation of the effectiveness of departmental programs at the regional level.

The executive level of the Program Delivery Division is responsible for defining goals, priorities and resource needs for the regional offices, so that departmental services can be made accessible to all citizens of Alberta.

Regional Offices

The fiscal year 1981-82 was the first complete year of departmental regionalization whereby all programs, with the exception of Corporate Registry, were delivered through the six regional offices in Calgary, Edmonton, Fort McMurray, Lethbridge, Peace River and Red Deer.

This necessitated extensive training of staff as well as organization changes in the former Consumer Relations Division regional offices. The structural changes increased the efficiency of manpower and resource use. Both consumers and businesses benefited from the implementation of the "one stop shopping" concept, and have commented positively on the localized delivery of services.

The regional delivery concept also has permitted greater flexibility in serving the general public. Staff now are involved in all areas of department activity. Since consumer problems often involve several department programs, all aspects of each problem now can be examined and dealt with at one time.

Complaints and Enquiries

During 1981-82, telephone contacts from the general public continued to increase. The regional offices received 87,031 telephone calls from the public regarding departmental programs; the majority dealt with specific complaints and enquiries. Regional officers continued to advise the public as to how to find resolutions for their problems. Thus, only complaints that needed departmental intervention were accepted for further investigation.

TABLE 1

Ten Major Complaint Categories

	Number of Complaints	Percentage of Total Complaints
Motor Vehicles	918	18.8%
Building Materials	477	9.8%
Appliance and Home Furnishings	442	9.0%
Credit	428	8.8%
Rental Accommodation	420	8.6%
Miscellaneous Manufactured Goods	402	8.2%
Insurance	393	8.1%
Personal Services	192	4.0%
Real Estate	182	3.7%
Personal Goods	151	3.1%

Regional Offices of Alberta Consumer and Corporate Affairs

Calgary Regional Office
#222, Centre 70
7015 Macleod Trail South
CALGARY, Alberta
T2H 2M9
Telephone: 253-0909

Lethbridge Regional Office
#501 Professional Building
740 - 4 Avenue South
LETHBRIDGE, Alberta
T1J 4A9
Telephone: 329-5360

Red Deer Regional Office
4920 - 51 Street
P.O. Box 5002
RED DEER, Alberta
T4N 5Y5
Telephone: 343-5241

Peace River Regional Office
Provincial Building
9621 - 96 Avenue
Bag 900, Box 9
PEACE RIVER, Alberta
T0H 2X0
Telephone: 624-6214

Fort McMurray Regional Office
5th Floor, West Tower
9915 Franklin Avenue
FORT MCMURRAY, Alberta
T9H 2K4
Telephone: 743-7231

Edmonton Regional Office
3rd Floor, Capilano Centre
9945 - 50 Street
EDMONTON, Alberta
T6A 3X5
Telephone: 427-5782

Program Support Division

Assistant Deputy Minister —
J. O. Darwish

Executive Director —
W. V. Stephens

Program Support Division

Program Support supplies centralized services that support the development and delivery of the department's programs. The areas of service provided include information systems, records management, audit, research and planning, mail service, accommodation and parking arrangements, telecommunication service and materials distribution.

Audit

Audit provides a financial consulting and examination service to the department. Financial analysis and field examinations of registrants or licensees are conducted at the request of Program Development directors.

Audit programs designed specifically for regulated industries are used in conducting examinations to determine whether licensees are complying with applicable legislation and are handling public funds in the stipulated manner. Financial institutions may invest their funds in qualified assets only, meeting certain minimum quality standards. Agencies or brokers receiving trust funds must maintain such funds in a separate trust account until the trust obligations are fulfilled.

During 1981-82 audits were conducted on all provincially incorporated insurance companies and investment contract companies. In addition, reviews and examinations were conducted on 127 companies subject to legislation administered by the department.

Information Systems

Information Systems has two components — systems management and records management. Systems management provides the department with a variety of services relating to automated and manual systems:

— Systems analysis for those departmental programs requiring new or revised systems. This can include recommendations regarding equipment selection, specifications for programs and assistance with development of procedures and forms.

— Systems maintenance, which involves identification of computer system problems and determination and implementation of corrective measures.

— Assistance with acquisition of data processing and word processing equipment, and related services.

During 1981-82, construction of the Securities Commission Automated Network (S.C.A.N.) was the major new development. Computer equipment was installed and conversion of the manual files to the computer system was started. The system will be fully operational by the fall of 1982.

Information Systems currently maintains 10 data processing systems. The most significant task undertaken on an existing system was the modification of the Companies Branch Information System (C.B.I.S.) in preparation for proclamation of the Business Corporations Act in February of 1982.

Records Management assists the department's programs in determining the most effective way of storing and retrieving information.

Services provided include:

— Creation of approximate retention schedules for records.

— Development of filing systems.

— Management of centralized microfilm services.

— Management of centralized storage for semi-active records.

The ongoing development of a department-wide records management program continues to improve the access to information and decrease the amount of prime office space being used for storage of inactive records.

Research and Planning

Research and Planning provides centralized research and information services in support of departmental planning and policy formation. The unit conducts policy analyses, surveys, program evaluations and industry studies on behalf of the department's programs. During the last year, projects were undertaken on such topics as the mail order industry, regulation of professions and occupations, gem appraisals, competition policy, provincial housing statistics, pyramid schemes, electronic funds transfer system, and evaluations of employee training courses and flexible work hours.

Research and Planning also prepares and distributes two monthly publications, **Market Highlights** and **Market Spotlight. Market Highlights** is a digest of marketplace events affecting consumers, including price changes, supply disruptions, new products, legislation changes and safety concerns. **Market Spotlight** advises on the selection and use of commonly purchased items, and is intended for reference by the consuming public. During 1981-82, **Market Spotlight** reviewed such topics as water filters, electricity costs, cassette tapes, wallpaper, cookware, gold jewelry, downhill skis, fireplace inserts and products for left-handers. Circulation figures for both monthlies continued to increase.